



سازمان بورس و اوراق بهادار
SECURITIES & EXCHANGE ORGANIZATION

Building Trust in Crowdfunding

Iran's Regulatory Experience in Investor Protection,
Risk Disclosure, and Shariah Governance

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15th COMCEC Capital Market Regulators Forum – Financial Literacy Task Force



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Why Crowdfunding, Why Now?

Access to finance in a changing economic and digital environment



Crowdfunding should be viewed not only as an investment product, but also as an **access-to-finance mechanism**.



It is particularly relevant for **smaller, innovative and knowledge-based businesses** facing constraints in traditional financing channels.



Digital networks make it possible to mobilise small contributions from a large number of participants.



The regulatory challenge is to **expand access to finance** without weakening investor protection.



For COMCEC, this issue is timely because the **2026 Financial Cooperation Working Group** focused on the potential of crowdfunding for economic development in OIC Member Countries.



Key policy question:

How can access, protection, disclosure and governance evolve together?



Iran as an Implementation Case

An example of evolutionary regulation



Iran is not presented as a finished model, but as evidence from implementation.



Regulation has evolved through experience rather than a single one-time design.



A key question for regulators: how to preserve access while strengthening oversight?



Building Institutional Trust

Investor protection, accountability, and proportionate regulation



01

From soft trust to hard trust

- Trust in crowdfunding is linked to institutional validation, risk management, investor protection, and transparency.
- Trust cannot rely only on interface quality or marketing.



02

Investor protection in practice

- Platform governance matters: qualifications, performance history, conflict-of-interest disclosure, and controlled fund flows.
- Direct payments between investors and applicants are restricted.
- In default, the agent must disclose the event and report action taken on guarantees or collateral.



03

The policy balance

- Protection should strengthen confidence in the integrity of the process, not create an illusion of guaranteed outcomes.
- Heavy guarantees and compliance burdens may disadvantage smaller platforms and firms.
- Proportionate regulation is therefore critical.

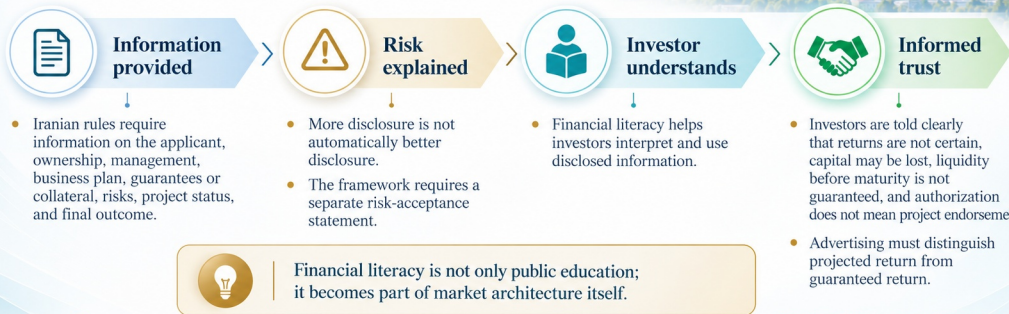


The broader question is not only how much finance is raised, but which firms are actually able to access it.



From Disclosure to Investor Understanding

Meaningful disclosure, financial literacy, and informed trust



Shariah Governance and the Path Forward

Economic substance, real risk allocation, and continuous refinement



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Shariah governance

- Iran initially relied mainly on **participation-based structures**.
- Different financing needs do not necessarily fit **one contractual form**.
- A key concern is aligning **legal form with economic substance**.
- Practical questions arise around **rate fixation, rescheduling, guarantees, agency over pooled funds, and transferability**.
- Crowdfunding is increasingly treated as a **financing process**, not necessarily one single contract.



Closing reflections

- Iran's experience is still **evolving**.
- Important questions remain around **liquidity, guarantees, proportionality, competition, investor understanding, and Shariah-compatible structures**.
- Iran's value to COMCEC is not a final answer, but **evidence from implementation**.
- The direction remains forward: refining regulation, improving accountability, and strengthening investor understanding.

“ *Not how to eliminate risk, but how to make risk more transparent, accountability more visible, and trust more informed.* ”

